



King County

Dow Constantine
King County Executive

Chinook Building
401 Fifth Avenue, Suite 810
Seattle, WA 98104

The Honorable Larry Gossett
Chair, King County Council
Room 1200
C O U R T H O U S E

April 7, 2011

Dear Councilmember Gossett:

The capital improvement project (CIP) planning, budgeting, implementation and oversight provisions in the King County Code (KCC) have been developed incrementally over the past forty years. These incremental capital program changes are concentrated in the past fifteen years as policy makers have moved aggressively during this time to reduce barriers to project delivery and intergovernmental communication.

A new legislative effort is necessary to modify the current capital project phase definitions to improve alignment with industry best practices. This change linked to the Accountable Business Transformation (ABT) project also offers the County an opportunity to reassess other capital code provisions and streamline the many incremental provisions into an integrated and comprehensive capital section of the KCC. Staff member input from capital programs, the Council, the Council Auditor's Office, and the Council Clerk has resulted in a legislative package that will serve as a more readable, more value added starting point for Council deliberations in the coming months.

The ABT project is not the only catalyst for proposed changes to the capital section of the KCC. In the Service Excellence section of the King County Strategic Plan it is recommended that we strategize to "Implement a unified management system for county operations including budgeting, performance management, service delivery and strategic planning." A framework to achieve a unified management system was outlined in the CIP Executive Order issued in February 2010. This document called for CIP Code changes to improve capital program management, budgeting and performance management while addressing issues raised in recent performance audits.

The resulting package of proposed KCC changes is categorized as follows:

- 1.) modify project phase definitions to align with ABT structure;
- 2.) to improve program management and oversight, reduce KCC variability among the 14 capital programs;
- 3.) improve CIP reporting by adding capital project scope, schedule and budget information to the existing quarterly reports while removing inefficient reporting requirements;
- 4.) increase communication between the Executive and Legislative branches by improving the content of the quarterly report and expanding the role of the Joint Advisory Group in the discussion of legislation transmittal and review timing;
- 5.) adjust, consolidate and condense the high value features of Code additions approved incrementally over the past 15 years (i.e. flexible budgeting, high risk project procedures, and the Joint Advisory Group);
- 6.) reorganize facility planning sections of the Code in preparation for likely modifications to the planning requirements defined in the Office of Performance, Strategy and Budget (PSB) section of the Code. The legislation likely to be transmitted later this year will improve the integration of strategic plans, business plans and facility and technology infrastructure plans;
- 7.) improve the KCC provisions regarding the purpose and due date of CIP Revenue Verification;
- 8.) ensure consistency with RCW requirements; and
- 9.) reorganize and condense KCC language to improve the usefulness of the KCC to guide CIP planning, implementation and oversight.

It is understood that the quantity and significance of the proposed changes will require a thorough review. To increase the likelihood that the proposed Code changes can be supportive of the ABT project and the upcoming 2012 Executive and Council budget process, it is preferable to have the legislation approved by the end of July. Capital reporting efforts between now and the time of Council adoption will place a priority on improved quarterly reporting rather than the annual reporting proposed to be removed from the KCC.

There is no fiscal effect associated with the adoption of the proposed ordinance.

Should you have any questions, please contact Dwight Dively, Director, Office of Performance, Strategy and Budget, at 206-296-9727.

Sincerely,



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Enclosure

cc: King County Councilmembers

ATTN: Acting Chief of Staff

Anne Noris, Clerk of the Council

Fred Jarrett, Deputy County Executive, King County Executive Office (KCEO)

Dwight Dively, Director, Office of Performance, Strategy, and Budget (PSB)

Sid Bender, Capital Budget Supervisor, PSB

Caroline Whalen, County Administrative Officer, Department of Executive
Services (DES)